

Message Text

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APPROVED BY: EB/OCA/REP: GPWILSON

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STATE/AF/C: SJCOHEN

STATE/EB/IFD/ODF: EMLINTON

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FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA

UNCLAS STATE 001067

E.O. 11652: N/A

TAGS: APUB CG

SUBJ: PRESS RELEASE ON EXIMBANK LOAN TO ZAIRE

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT
LOAN OF \$102,240,000 TO SOCIETE NATIONALE D'ELECTRICITE OF KINSHASA.
RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C.
FOR A.M. PAPERS, TUESDAY, JANUARY 15, 1974.

QUOTE: EXIMBANK SUPPORTS \$227.2 MILLION SALE OF U.S. GOODS
AND SERVICES FOR TRANSMISSION LINE PROJECT IN ZAIRE

TO SUPPORT A \$227.2 MILLION SALE OF U.S. EQUIPMENT AND SERVICES
REQUIRED FOR A TRANSMISSION LINE IN ZAIRE, THE BOARD OF DIRECTORS
OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A
DIRECT LOAN OF \$102,240,000 TO FINANCE 45 PERCENT OF THE U.S.
COSTS, ACCORDING TO EXIMBANK'S VICE CHAIRMAN WALTER C. SAUER.
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EXIMBANK IS ALSO PROVIDING A FINANCIAL GUARANTEE OF A LOAN OF

\$102,240,000 FROM FIRST NATIONAL CITY BANK, NEW YORK, AND OTHER BANKS TO FINANCE ANOTHER 45 PERCENT OF THE U.S. COSTS.

THE BORROWER, SOCIETE NATIONALE D'ELECTRICITE (SNEL) OF KINSHASA, A NEWLY-FORMED AGENCY OF THE GOVERNMENT OF ZAIRE, WILL MAKE CASH PAYMENT OF 10 PERCENT OF THE U.S. COSTS OR \$22,720,000. EXIMBANK IS ALSO PROVIDING A FINANCIAL GUARANTEE OF A LOCAL COST LOAN OF \$34 MILLION FROM FIRST NATIONAL CITY BANK.

THE PROJECT IS FOR CONSTRUCTION OF AN EXTRA HIGH VOLTAGE DIRECT CURRENT TRANSMISSION LINE DESIGNED TO CARRY POWER FROM THE INGA HYDROELECTRIC GENERATING PLANT IN WESTERN ZAIRE TO THE SHABA REGION IN THE SOUTH EASTERN PART OF THE COUNTRY, A DISTANCE OF APPROXIMATELY 1800 KILOMETERS. THE PRIMARY DEMAND FOR THE POWER IN THE SHABA REGION IS FOR EXPANDED COPPER MINING AND REFINING. TOTAL COST OF THE PROJECT IS ESTIMATED AT MORE THAN \$326 MILLION.

THE U.S. CONTRACTOR IS CONSTRUCTEURS INGA-SHABA, A JOINT VENTURE FIRM MADE UP OF MORRISON-KNUDSON INTERNATIONAL COMPANY, INTERNATIONAL ENGINEERING COMPANY AND FISHBACH AND MOORE INTERNATIONAL CORPORATION. TECHNICAL ASSISTANCE WILL BE PROVIDED BY THE BUREAU OF RECLAMATION AND BONNEVILLE POWER AUTHORITY OF THE U.S. DEPARTMENT OF INTERIOR, SOCIETA D'INGEGNERIA A CONSUDENSA ALTIVATA INDUSTRINDI (SICAI) OF ROME, ITALY, AND ELECTRICITE DE FRANCE, (EDF) OF PARIS, FRANCE.

THE LOANS ARE TO BE REPAYED IN 30 SEMIANNUAL INSTALLMENTS BEGINNING NO LATER THAN FEBRUARY 10, 1978, WITH EXIMBANK'S DIRECT LOAN OF \$102,240,000 TO BE REPAYED OUT OF THE LAST 15 INSTALLMENTS WITH INTEREST AT AN ANNUAL RATE OF 6 PERCENT ON OUTSTANDING BALANCES AND REPAYMENT TO BE GUARANTEED BY THE REPUBLIC OF ZAIRE. UNQUOTE RUSH

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